



# Legislative Update

June 21, 2017

## The Compromise Budget Has Been Released



Late Monday night, legislative leaders unveiled their compromise budget -- called a conference report -- amidst much anticipation. The conference report, as the culmination of months of deliberation and negotiation, likely represents the General Assembly's final word on the state budget for the 2017-18 fiscal year. If signed by the Governor, the conference report will become the state budget for fiscal year 2017-18. If not, it will return to the General Assembly for revisions or for a veto override. While the conference report addresses each area of the state budget, it includes many items of specific relevance to education.

NC DPI Leadership will host a webinar on Thursday, June 22 from 2:00-3:30PM to offer details on the new state budget and accept questions. Register to attend the webinar [here](#). After registering, you will receive an e-mail outlining how to join.

In the final budget compromise, teachers receive an average 3.3% raise in the 2017-18 fiscal year and a combined 9.6% raise over the next two fiscal years, compared to the 2016-17 salaries, including annual experience-based raises. A more detailed summary of education-related budget provisions is below.

## Budget Highlights

### Compensation

- The average teacher will receive an estimated average State-funded increase of 3.3% in FY 2017-18 and 9.6% in FY 2018-19 when compared to FY 2016-17
- Starting teacher pay remains at \$35,000, plus any additional local and state supplements and bonuses.
- Principals in schools in the top 50% and above statewide in growth receive bonuses between \$1,000 and \$5,000.
- Provides salary increases for Principals and Assistant Principals.
- Veteran Teacher Bonus (25+ years exp.) of \$385 in 2017-18 and 2018-19
- Makes 3 teacher bonus pilot programs recurring (3rd grade reading, AP/IB, CTE)
- Provides funding to support a math performance bonus program for teachers in grades 4 through 8 and a reading bonus program for teachers in grades 4 and 5.
- Expands teacher assistant tuition assistant program in several counties.
- Allots funding to DPI to reimburse initial teacher license application fees for graduates of an approved educator preparation program in North Carolina who earn an initial teaching license in North Carolina.
- Provides funds for highly qualified graduates of an approved educator preparation program to receive salary supplements based on the teacher "A" salary schedule. Recipients receive a salary supplement if they teach in a low performing school, are licensed in a special education or a STEM field, or are considered a highly qualified graduate.
- Most full-time, permanent, 12-month state employees will receive a \$1,000 salary increase
- 1% recurring cost-of-living adjustment (COLA) for retirees

### Budget Items and Provisions

- \$11.3 M nonrecurring appropriation for textbooks and digital learning
- Increases funding cap for children with disabilities to 12.75%
- Provides an additional \$2.4 M recurring for the state's digital learning plan
- Directs the State Board of Education, along with State Board of Community Colleges and UNC General Administration, to study the fiscal structure of Cooperative Innovative High Schools and the Career and College Promise programs and allocates funding according to tiers
- Reduces Central Office funds by \$7 M in 2017-18 and \$11 M in 2018-19
- Appropriates \$4.2 M in 2017-18, including \$700,000 recurring, for grants to help school districts expand CTE to 6th and 7th grade.
- Provides \$300,000 in nonrecurring funding for Superintendent legal fees.
- Provides \$700,000 in recurring funding for up to 10 positions that report directly to the Superintendent.
- Provides one-time funding for a functional and business process audit of DPI (\$1 M). Beginning in FY 2018-19, DPI operating budget will be reduced by \$1 M per year to reflect anticipated savings resulting from the audit recommendations.
- Eliminates several positions within DPI.
- Adds 2 positions at DPI to support educator preparation (\$200,000)
- Reduces DPI operating funds by 6.2% or \$3.2 M in 2017-18 and 13.9% or \$7.3 M in 2018-19.
- Appropriated \$8.2 M in 2017-18 and \$1 M in 2018-19 for Advanced Teaching Role pilot
- Funds \$19 M in the first year and \$10 M in the second for DPI Business System Modernization
- Establishes the Joint Legislative Task Force on Education Finance Reform that shall study various weighted student formula funding models and develop a new funding model for elementary and secondary public schools.
- Creates grant program to help districts expand CTE programs to 6th and 7th grade.
- Requires all local boards of education to offer at least two work-based learning opportunities that are related to CTE instruction. Directs local boards to provide agricultural teachers with adequate resources to provide 12 month CTE program.
- Establishes a B-3 (birth-to-three) Interagency Council and 2 support positions to develop an interagency plan for a coordinated system of early care, education and child development and implement services.
- Charter School Transportation Grant program reimburses schools up to 65% of their transportation costs if 50% or more of their students receive free or reduced lunch.
- Provides funds for the Reading Improvement Commission. This Commission will review and make recommendations on best practices for public schools in grades 4 through 12 to ensure students complete high school with the literacy skills necessary for career and college readiness. The revised net appropriation for the Commission is \$200,000 in FY 2017-18.
- Provides funds to DPI for a Coding and Mobile Application Development Grant Program. These competitive grants shall be used for the purchase of equipment, digital materials, and related capacity building activities. \$400,000 is allotted in 2017-18 and \$800,000 in 2018-19.
- Allots funding for a revamped NC Teaching Fellows program.
- No changes to Governor's School (original Senate proposal replaced the program with Legislative School).
- Driver's safety incentive program was NOT included in the budget: A prior budget proposal would have established a program to reimburse students who pass driver education and earn their permit on the first attempt.
- Directs the State Board of Education along with State Board of Community Colleges and UNC General Administration to study the fiscal structure of Cooperative Innovative High Schools and Career and College Promise programs. Funding for CIHSs is allocated according to tiers.
- Allows for a certain number of schools to exceed class size requirements in K-3 for duration of pilot program ending in 2019-20.
- Eliminates Analysis of Student Work for teacher evaluation
- Calculation of the overall school performance scores and grades: School achievement will account for 80% and growth will account for 20% of the total sum. The overall school performance grade shall be based on the 10 point scale. For additional details on the school scores and grades, see Section 7.26(c) on page 66 of the [budget](#).

## Conference Report Teacher Base Pay Schedule

The chart below reflects the teacher base pay schedule under the [compromise budget](#) released earlier this week. These amounts include state base pay only and do not take into account bonuses, local supplements or other benefits. More complete analysis of teacher pay will be made available on the [DPI website](#) as it is released by the Financial & Business Services division of DPI. Further analysis will also be included in Friday's Legislative Update.

Note: The "Special Budget Update" sent at 3:05 PM on 6/20/2017 included a proposed Teacher Salary Schedule for the 2018-19 Fiscal Year; however, it was inadvertently specified as the 2017-18 Fiscal Year. The chart below reflects updated information.

Years of Experience	Conference Report Base Monthly Teacher Salary FY 2017-18	Conference Report Base Monthly Teacher Salary FY 2018-19
0	\$3,500	\$3,500
1	\$3,600	\$3,600
2	\$3,630	\$3,700
3	\$3,730	\$3,800
4	\$3,730	\$3,900
5	\$3,830	\$4,000
6	\$3,830	\$4,100
7	\$3,930	\$4,200
8	\$3,930	\$4,300
9	\$4,055	\$4,400
10	\$4,055	\$4,500
11	\$4,205	\$4,600
12	\$4,205	\$4,700
13	\$4,355	\$4,800
14	\$4,355	\$4,900
15	\$4,555	\$5,000
16	\$4,630	\$5,000
17	\$4,730	\$5,000
18	\$4,730	\$5,000
19	\$4,830	\$5,000
20	\$4,830	\$5,000
21	\$4,930	\$5,000
22	\$4,930	\$5,000
23	\$5,000	\$5,000
24	\$5,000	\$5,000
25+	\$5,130	\$5,130

## Education Matters - The Latest on the State Budget

The Public School Forum of North Carolina hosts a weekly television program called "Education Matters," where high-profile figures discuss issues affecting public education in North Carolina.



Rep. Hugh Blackwell



Rep. Graig Meyer

Last week, Rep. Hugh Blackwell, Chairman of the Education Appropriations Subcommittee and Vice Chair of the Joint Legislative Education Oversight Committee, joined Rep. Graig Meyer on the program. The Representatives offered insight into the State's budget as it relates to education. Click [here](#) to see the episode in full.

\*Images Courtesy of the Public School Forum of North Carolina\*



See this [link](#) for a complete list of bills impacting K-12 education.

## North Carolina General Assembly

### ONLINE RESOURCES:

- [DPI/SBE Reports to the General Assembly](#)
- [Citizen Guide](#)
- [Who Represents Me?](#)
- [How a Law is Made](#)
- [House Member List](#)
- [Senate Member List](#)
- [North Carolina Constitution](#)
- [House Page Program](#)
- [Senate Page Program](#)
- [Governor's Page Program](#)
- [Youth Legislative Assembly](#)
- [Educational Resources/Homework Assistance](#)
- [An Introduction to the NC General Assembly – Elementary School Ages](#)
- [NC Government – Middle School Ages](#)

### STATE BOARD OF EDUCATION CONTACT INFORMATION:

- **Martez Hill** – Executive Director | 919-807-3404
- **Cecilia Holden** – Director of Legislative Affairs and Special Initiatives | 919-807-4035
- **Robb Jansen** – Policy Development Analyst | 919-807-3407
- **Anne Murtha** – Legislative Specialist | 919-807-3403
- **Dylan Blackburn** – Legislative Intern

To view previous 2017 Weekly Legislative Updates click [here](#).

The NC Department of Public Instruction offers a number of topics for subscription.

- To subscribe to the Weekly Legislative Update, click [here](#).
- To subscribe to other NC Department of Public Instruction topics, click [here](#).



Public Schools of North Carolina  
State Board of Education  
Department of Public Instruction

Stay Connected with North Carolina Public Schools:

SUBSCRIBER SERVICES:  
[Manage Subscriptions](#) | [Unsubscribe](#) | [Help](#)